

103^D CONGRESS
1ST SESSION

S. 1180

To amend the Internal Revenue Code of 1986 to encourage the production and use of wind energy.

IN THE SENATE OF THE UNITED STATES

JUNE 30, 1993

Mr. GRASSLEY (for himself and Mr. CONRAD) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to encourage the production and use of wind energy.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Wind Energy Incentives Act of 1993”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment or repeal is expressed in terms of an amendment
9 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
 2 sion of the Internal Revenue Code of 1986.

3 **SEC. 2. ENERGY-RELATED PRODUCTION CREDITS MAY OFF-**
 4 **SET 25 PERCENT OF MINIMUM TAX.**

5 (a) IN GENERAL.—Section 38(c) (relating to limita-
 6 tion based on amount of tax) is amended by redesignating
 7 paragraph (2) as paragraph (3) and by inserting after
 8 paragraph (1) the following new paragraph:

9 “(2) ENERGY CREDITS MAY OFFSET 25 PER-
 10 CENT OF MINIMUM TAX.—

11 “(A) IN GENERAL.—In the case of the en-
 12 ergy credit—

13 “(i) this section and section 39 shall
 14 be applied separately with respect to such
 15 credit, and

16 “(ii) for purposes of applying para-
 17 graph (1) to such credit—

18 “(I) 75 percent of the tentative
 19 minimum tax shall be substituted for
 20 the tentative minimum tax under sub-
 21 paragraph (A) thereof, and

22 “(II) the limitation under para-
 23 graph (1) (as modified by subclause
 24 (I)) shall be reduced by the credit al-
 25 lowed under subsection (a) for the

1 taxable year (other than the energy
2 credit).

3 “(B) ENERGY CREDIT.—For purposes of
4 this paragraph, the term ‘energy credit’ means
5 the portion of the credit under subsection (a)
6 which is attributable to the credit determined
7 under section 45(a).”

8 (b) CONFORMING AMENDMENT.—Section 38(d) is
9 amended by adding at the end the following new para-
10 graph:

11 “(4) SPECIAL RULE FOR ENERGY CREDIT.—
12 Notwithstanding paragraphs (1) and (2), the energy
13 credit described in subsection (b)(8) shall be treated
14 as used last.”

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to property placed in service after
17 June 30, 1993.

18 **SEC. 3. SMALL WIND TURBINES ELIGIBLE FOR ENERGY**
19 **CREDIT.**

20 (a) IN GENERAL.—Subparagraph (A) of section
21 48(a)(3) (defining energy property) is amended by strik-
22 ing “or” at the end of clause (i), by redesignating clause
23 (ii) as clause (iii), and by inserting after clause (i) the
24 following new clause:

1 “(ii) equipment which uses wind en-
2 ergy to generate electricity but only if such
3 equipment has a rated capacity of 50 kilo-
4 watts or less and is not primarily used in
5 the trade or business of producing elec-
6 tricity for sale to an unrelated person, or”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) shall apply to property placed in service
9 after December 31, 1993.

10 **SEC. 4. LESSEES ELIGIBLE FOR CREDIT FOR ELECTRICITY**

11 **PRODUCED FROM CERTAIN RENEWABLE RE-**
12 **SOURCES.**

13 (a) IN GENERAL.—Paragraph (3) of section 45(c)
14 (defining qualified facility) is amended by striking “owned
15 by taxpayer” and inserting “operated by the taxpayer”.

16 (b) CONFORMING AMENDMENT.—Paragraph (3) of
17 section 45(d) (relating to production attributable to the
18 taxpayer) is amended to read as follows:

19 “(c) In the case of a facility in which more than 1
20 person has an interest, except to the extent prescribed in
21 regulations, production from the facility shall be allocated
22 among such persons in proportion to their respective inter-
23 ests in the gross sales from the facility.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to facilities originally placed in
3 service after June 30, 1993.

4 **SEC. 5. SECTION 45 ELIGIBILITY PERIOD.**

5 Paragraph (3) of section 45(c) (defining qualified fa-
6 cility) is amended by striking “December 31, 1993” and
7 inserting “June 30, 1993”.

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